

SEP 12 1941

IN THE
Supreme Court of the United States
October Term, 1941
No. 323

MUNCIE GEAR WORKS, INC. and BRUNS
& COLLINS, INC.,

Petitioners,

vs.

OUTBOARD, MARINE & MANUFACTURING CO.
and JOHNSON BROTHERS ENGINEERING
CORPORATION,

Respondents.

**REPLY OF PETITIONERS ON PETITION FOR
WRIT OF CERTIORARI TO THE CIRCUIT COURT
OF APPEALS FOR THE SEVENTH CIRCUIT.**

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Respondents' opposition to the petition for writ of certiorari necessitates brief reply.

I.

The petition was primarily predicated upon the propositions—(a) that the patent involved dominated an entire industry; and (b) that the entire industry was located within the Seventh Circuit so that “litigation elsewhere, with a resulting conflict of decision (is) improbable”—this, alone, having been recognized and stated by this Court as a proper ground for certiorari (*Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 50).

Respondents do not and cannot deny either of these propositions, but seek to becloud them to an extent which they hope will induce a denial of the writ, quite properly being fearful of the result if a writ is granted. Thus, respondents unqualifiedly admit (Brief, p. 1) that the Johnson patent involved "is unquestionably the most important patent in the outboard motor industry", and then, founded only on the testimony of the Chief Engineer of one division of respondents' business (the Evinrude Division), makes the bald assertion (Brief, p. 6), unsupported by the record, that the patent affects only twenty per cent of the industry. Obviously, the two assertions of respondents are mutually inconsistent.

As to the industry being concentrated in the Seventh Circuit, respondents assert (Brief, pp. 7 and 8), without justification in the record or in fact, that this condition is a result of "impact of the national emergency"; and suggest (Brief, p. 8) that in order for petitioners to avail themselves of this well recognized ground for the grant of a writ of certiorari, that it is "incumbent" upon petitioners to show that this condition is "permanent" and "will continue following the termination of the emergency". Aside from the fact that the granting or denial of the petition for writ of certiorari will, of necessity, be determined upon the fact (here admitted by respondents) that the industry actually is and for the last seven years has been concentrated in the Seventh Circuit,* and further, aside from the

* Respondents' support for the assertion (Brief, p. 7) that the industry is not "normally" concentrated in the Seventh Circuit is based solely on the fact that previously there had been litigation against a manufacturer in Michigan, as evidenced by the decision in the *Caille Brothers* suit. Respondents are not frank about this, however, because they fail to mention that the decision in that case was rendered on July 25, 1934, as a result of which Caille discontinued the manufacture of outboard motors, and has never engaged in that business since. In consequence, the admitted concentration of the industry in the Seventh Circuit, as pointed out in our petition, has continued uninterrupted for more than seven years.

fact that no such limitation as respondents suggest is justified by the decisions of this Court on which petitioners rely (see p. 13 of our petition), respondents' suggestion is as impossible as it is absurd, as this Court will readily appreciate.

II.

Respondents' brief repeatedly asserts (pp. 2, 3, 8-12) that the second ground advanced by the petition for a writ of certiorari (viz. the belated and illegal amendment of the patent application) was neither pleaded nor presented to the Courts below. This is completely belied by the facts. In Case No. 274, in which was involved the Johnson patent which we are here concerned, this defense was specifically pleaded (see "Fourth Defense", R. 18). Moreover, the matter was presented and argued at length to the District Court, and to the Court of Appeals below in petitioners' brief before the latter Court beginning at page 23 thereof.

Likewise, while tacitly admitting that there *had been* commercial use of the invention more than two years prior to the presentation of the claims therefor involved in this suit, respondents assert (p. 9) that such use was not "adverse" to the patent, and suggest, in consequence, that they are possessed of some presumed legal immunity. While it is appreciated that at this stage of the matter this Court is not greatly concerned with the merits of the issues presented, nevertheless, respondents' assertion and suggestion are so contrary to the facts and to the law that they may not be passed unchallenged. As to the facts, respondents' own evidence (R. 225) shows that the prior use was by Evinrude Motor Company, Elto Motor Company, and Lockwood-Ash Motor Company, who at that time (1926-1927), were all competitors of the Johnson Motor Company—the then

owner of the Johnson patent in suit. It was not until 1937—*nearly ten years thereafter*—that these companies merged with the Johnson interests. Consequently, their use of the Johnson invention was most certainly “adverse” to the patent and patent owner in *every* sense of the word.

Similarly, with respect to the law, Section 4886 of the Revised Statute prescribes as a condition to a valid patent grant that the invention thereof shall not have been “in public use or sale in this country for more than two years prior” to the application for patent. The statute, neither by language nor by implication, excuses the inventor from its effect. Two years public use by *anyone* prior to application for patent claims therefor invalidates any patent that may be inadvertently granted in the face thereof.

III.

As to the third ground for the writ advanced by the petition (viz.: the obviously aggregational character of the alleged invention of the patent), respondents assert that this is a question of *fact* and not of law. Consequently, say respondents, the cases of this Court relied upon in the petition and its supporting brief have no applicability. While we disagree with respondents’ viewpoint in this respect, we point out that if respondents are right, and aggregation is a question of *fact*, then the Trial Court’s *finding of fact* that the Johnson patent is invalidly aggregational (Opinion, R. 243-244; Finding of Fact 5(e), R. 293; see also Conclusion No. 1, R. 296) should have been regarded as “unassailable” by the Court of Appeals (*Adamson v. Gilliland*, 242 U. S. 350). The failure of the Court of Appeals to do so, alone, should warrant correction by this Court.

Conclusion.

It is believed that the foregoing shows that the petition for writ of certiorari in this case is well founded, and should be granted.

Respectfully submitted,

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Dated: New York, N. Y.,
September 10, 1941.